

MINUTES

PLANNING COMMITTEE

October 30, 2019

A meeting of the Planning Committee of the County of Kaua'i, State of Hawai'i, was called to order by Mason K. Chock, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Wednesday, October 30, 2019, at 10:45 a.m., after which the following Members answered the call of the roll:

Honorable Luke A. Evslin
Honorable Ross Kagawa
Honorable KipuKai Kuali'i
Honorable Mason K. Chock
Honorable Felicia Cowden, Ex-Officio Member
Honorable Arryl Kaneshiro, Ex-Officio Member

Excused: Honorable Arthur Brun

Minutes of the October 16, 2019 Planning Committee Meeting.

Upon motion duly made by Councilmember Kuali'i, seconded by Councilmember Evslin, and carried a vote of 4:0:1 (*Councilmember Brun was excused*), the Minutes of the October 16, 2019 Planning Committee Meeting was approved.

The Committee proceeded on its agenda item as follows:

Bill No. 2745 A BILL FOR AN ORDINANCE TO AMEND CHAPTER 10, KAUA'I COUNTY CODE 1987, AS AMENDED, RELATING TO THE LIHU'E TOWN CORE URBAN DESIGN DISTRICT (**This item was Deferred to the December 11, 2019 Committee Meeting.**)

Councilmember Kuali'i moved to approve Bill No. 2745, seconded by Councilmember Evslin.

Committee Chair Chock: If there are no questions on the actual Bill, I will suspend the rules for the Fire Department and entertain questions from Councilmember Cowden.

Councilmember Cowden: Thank you so much for coming up. Like the rest of my colleagues and the community would like to see housing available for our

people. We will be talking to Planning and others later. Especially, as Committee Chair for the Public Safety & Human Services Committee, I have the best interest of our first responders and the people that they may be rescuing in my heart as I am asking these questions. When we look at the potential of eighty (80) units per acre—when I am thinking even if we had thirty percent (30%) at forty (40) units per acre, that is still likely to be a full-sized building, the capacity of which is fifty (50) feet is our height limitation, now—so probably at least four (4) stories. I am concerned about fire protection. Last time we were here, I heard it was a ten (10) inch water pipe that runs down Rice Street. Is that consistent with your understanding? Do you know that statistic?

There being no objections, the rules were suspended.

KILIPAKI K. F. VAUGHAN, Deputy Fire Chief: *Aloha, Chairs, Council,*
Kilipaki Vaughan, Deputy Fire Chief, for the record.

MICHAEL THOMPSON, Fire Prevention Inspector I: *Aloha,*
Councilmembers, I am Michael Thompson. I am TA Captain for the Fire Prevention Bureau.

Mr. Vaughan: We would like to be sitting here along with the
Department of Water, because I think they can best answer those questions.

Councilmember Cowden: They were invited. They are not here. I do not
know if Public Works can help or not.

Mr. Vaughan: Obviously, for the Fire Department our
three (3) main goals are life-safety, instant stabilization, and property conservation. We work synergistically with water. We ask for access on particular buildings. In a particular case like this, say Rice Street, if you are conceptually thinking about R-40, there are possibilities, and we are supportive of the nature that you want to add more housing to the market, and provide more housing, in general, to our citizens. Think about it this way, say for Kōloa Landing. It is a similar type of project that is four (4) stories, low-rise, under fifty (50) feet, and is fifty-two (52) units in that particular building. It can be a 13R system, which would be NFPA 13R, is a fire sprinkler system that is not all steel, but 13R would allow for PVC piping through the building occupancy—that is how Kōloa Landing is built. They have multiple towers there, but each tower would be about fifty-two (52) units. Going to Rice Street, obviously for us, access becomes issues all the time. We would love to see sprinklers everywhere. That would be one of the best ways to ensure life-safety. Either initial suppression or even suppression itself. I do not have a firm answer for you, if that is a ten (10) inch line or not. We tend to gauge things off of pressure and volume. Either it will be pound per square inch (PSI), PSI-20, you have to have residual pressure of twenty (20) PSI in the system. For fire flow, which means it takes into account the sizing of the occupancy,

the amount of water that is available, the residual pressure there, and a certain gallons per minute (GPM)—it can start from one thousand five hundred (1,500) GPM and go up to four thousand (4,000) or maybe even five thousand (5,000) GPM based on the occupancy classification. I do not know if that answers your questions.

Councilmember Cowden: That helps a little bit. I am looking at this from a perspective of a person who is not fire trained. If we looked at a building like what we have down the street here, that is about four (4) stories, how many hoses would you need? How many fire trucks? How many people? I want to allow you to assess the situation. I am curious for things like, how many firefighters would we need? How is our training? If we had the potential for density and what is the risk to our people, you know, things to that nature?

Mr. Vaughan: When it comes to staffing and resources, let us say, for a low-rise type of occupancy, four (4) stories in nature, we tend to follow the National Fire Protection Association (NFPA) Standard 1710, that is the initial arriving companies. We tend to have at least sixteen (16) firefighters show up to a scene, which means it is probably about three (3) engines. In Līhu'e, we do not have an aerial ladder. Our ladder is positioned in Kōloa at the moment. We have been taken the opportunity to redeploy that especially, on our most recent Kintaro's fire—that was extremely helpful for us. It would take additional staffing and additional ladders to come in and really talk about the initial full alarm assignment capability. We have been doing the job with what is available at the moment. There is special training, high-rise training, and we have actually sent some of our training bureau personnel to Honolulu Fire to work on their standpipe operations. When you have existing fire protection systems in a particular occupancy, let us say Kōloa Landing. You have a sprinkler system plus standpiping in there and we do training that matches that occupancy and matches the fuel load in that occupancy. We will take extra hoses, someone needs to climb the stairs up to the fourth floor, deploy the high-rise pack, connect to the standpipe, and then start fighting the fire. That is actually part of the firefighter recruit physical agility.

(Councilmember Kuali'i was noted as not present.)

Councilmember Cowden: Okay. Alright, so that is good. Would we most likely need the purchase of another ladder truck? Can we park it in Līhu'e? How about the fire station at the airport? Can that help us, too, or does that has to stay very dedicated over there?

Mr. Vaughan: Couple of questions there.

Councilmember Cowden: Okay, I am sorry.

Committee Chair Chock: Let me just interject for a second because I think we are talking about increasing zoning density and we are speculating on terms

of build-out. There is zoning across the whole island. The fact that is...I know we are talking about Rice Street here, which I do not mind, but these kinds of decisions are determined by when these things are built out and the necessity is. I just want to keep that in that frame of mind. No way are we saying that we need these things, right now. At this point, it will be tough for him to answer that. I will let you answer it, all I am saying, I want to bring it back to.

Councilmember Cowden: Okay, I am just trying to go, when we look at taking, I believe it was seventy (70) acres with the potential for R-80. Now that would not get all built-up, it could not possibly all get built-up, but if we built-up a descent amount—I am trying to get a good idea when we narrowed the road when we have probably parking all over the place.

(Councilmember Kualii was noted as present.)

Councilmember Cowden: I am trying to visualize. We have not even built an R-40 since we have decided that we could have R-40, so we hardly have a R-20. We have a few in this area. I am just wondering when we are making this permanent choice that is very hard to pull back that entitlement, I just want to make sure that we ask, so just a little bit more—I just want to make sure that you feel confident that we could shift to R-80 and no worries or should we worry, should we consider how much money we would need to be asking for development or asking for upgrade. I might not have the right questions to ask, because I do not do this for a living, but I want to hear from those who do this for a living. When we are basically, quadrupling the density in this area that we did our study for with the Transportation Investment Generating Economic Recovery (TIGER) grant, are we being responsible to our consideration for Fire and emergency management? Fire seems like the highest issue.

Mr. Vaughan: Okay.

Councilmember Cowden: Whatever your answer is, I can end with that.

Mr. Vaughan: Thank you again for the question. Maybe I will try to clarify. As far as, densifying and development, wherever it may be on the island, whether it is Kōloa, where you have more high-rises, if it is Princeville, where you have more resorts in some nature, but for let us say this area, again, we always try to meet the minimum standards and that is sixteen (16) right here. It entails resources and the diversity of resources such as, an aerial ladder. We would like to have an aerial ladder in the future. I think we have a utilization study that will be coming out that will help to show us where our needs are at or where our current level of service may be. That is a really hard question to answer, as far as more funding and the effect this could have on funding. We always like to err on the life-safety side, usually that means more personnel and resources.

Mr. Thompson: Can I add? Based on what he said earlier about the fifteen (15) person minimum. The NFPA 1710 describes the fifteen (15) person minimum with the extra person for the aerial ladder. That is for the recommended of a typical first alarm for a structure fire typically two thousand (2,000) square feet, two (2) story single-family residence. Looking at that, the recommendation for the density that you are proposing is going to increase that to a twenty-eight (28) firefighter for first alarm, so there definitely an increase in debt based on our geography. You are looking at the possibility of our response and not quite being able to compliment that.

Councilmember Cowden: Thank you.

Committee Chair Chock: Council Chair.

Council Chair Kaneshiro: I just have a general question along those lines. Is there a building requirement for sprinkler systems once a building hits a certain height or units?

Mr. Vaughan: There is and I will let the Building Division answer that question. Traditionally, the Building Division will determine that occupancy classification, then if they say, that particular building based on the building code says that this occupancy has to have a fire sprinkler, then Fire will turn back around and tell you what type of fire sprinkler system it should have.

Council Chair Kaneshiro: Okay, I mean, we are talking about residential, but I mean if there is a hotel fire, that is higher density than R-80. So you would have to fight that with whatever resources you have anyways. Thanks.

Committee Chair Chock: Vice Chair Kagawa.

Councilmember Kagawa: We are talking about hypothetical situations, right. If it is totally built out, you are saying you need to go from sixteen (16) firefighters to twenty-eight (28)?

Mr. Thompson: NFPA 1710 recommends we have that amount of people to fight the fire based on scientific evidence.

Councilmember Kagawa: I am not inclined to add to your department and personnel. Would the Council have a chance if this hypothetical large buildings be requested all over the place, when the permits are going through, would Fire have the opportunity to ask the Administration for more funding in order to keep things safe or you folks will approve it, and then the Council already is obliged to add twelve (12) more personnel to your Līhu'e Fire Station?

Mr. Vaughan: Okay, we would try to approach the Council and get pre-approval to add staffing and work with Administration on those possibilities.

Councilmember Kagawa: Before you would approve of these hypothetical situations.

Mr. Vaughan: I would presume so. I think if we are going to move down this road—again, we are very encouraging of the housing and building out, because there is a tremendous need on Kaua'i. The supply, the needs, and the demands have to match each other. What that looks like—we are not sure. It is hypothetical in nature, but we would like to believe that we have to match the resources to what is being provided out there.

Councilmember Kagawa: Yes, I know we are not the Federal government. We do not print money here, so I just want to make sure that on the legislative side, if the zoning side causes something where you would have to add twelve (12) personnel, I am hoping the legislative side would have the chance to say whether the County has enough in our future budgets to support such a large expansion to the Fire Department prior to permits being approved.

Committee Chair Chock: Councilmember Evslin.

Councilmember Evslin: I have a little bit of experience getting an Additional Rental Unit (ARU) permit and getting a permit for a primary dwelling. My recollection was the ARU permit required Fire to sign-off, but for whatever reason the primary dwelling did not. Could you talk through what triggers when Fire needs to sign-off on a permit or not.

Mr. Vaughan: I believe when the Additional Dwelling Unit (ADU) Ordinance came back through, a while back there was a big rush, probably, in about 2013-2014 to get a lot of those permits through, and actually issued. Fire does review only those residential permits. We do primarily commercial permits. If we would have to review every residential permit, that would take additional staffing as well. We are open-minded to that. Again, sprinklers have a resounding effect that could act as another person in the home. A quiet firefighter, you might say, that would help initially suppress the fire in the home. Those are options, hopefully, those will be on your table, as well.

Councilmember Evslin: If someone is trying to permit an ARU and it is too far from a fire hydrant or there is not enough capacity in that waterline, then you folks can reject the permit, is that correct?

Mr. Vaughan: That is correct. Actually, we provide them options, such as sprinkler in the home on your own, testing the hydrant on your own—independent testing, or thinking about moving it a little bit closer. The layout, the grid of a fire of the water system and fire hydrant is set when it goes into a subdivision and engineering and we just go from there.

Councilmember Chock: Are there any further questions for Fire? No. Okay, because of the request I wanted you folks to be up first, so thank you and you can go. I know this Bill out of all the bills is probably the one with the most questions and might be the most trouble in terms of passing. I would ask that...my goal here today would be to get a feel from everyone, including the whole Council and Council Chair and those not on the Committee about where they are on this, so we can know. I think it would pass Committee here today, but it might get held up in the second reading. I wanted to get a good sense of that from everyone. That is my goal, that is my request. At this point what I would like to do is, Councilmember Evslin, I think you have a short presentation, is that correct? Or would you like to go with questions?

Councilmember Evslin: Sorry, yes. I have some pictures I can share, if people are interested. There were some questions about what...I hesitate to call it R-80 because it is not truly an R-80, but we do have some visual to understand what higher density looks like. I asked Opticos Design, Inc. who did our Form-Based Code for the South Kaua'i Community Plan to provide some pictures of what R-80 or the equivalent of R-80 looks like. They did send us four (4) pictures. I think Scott has those so, if he wants to share them.

Committee Chair Chock: As it relates to this Bill, can I ask our Planning Director to also come forward?

Councilmember Evslin: Lastly, while Ka'āina is getting settled. I do want to say the reason this Bill is included here and the relevance is, in my opinion, if we are incentivizing ARUs islandwide, it is important to also incentivize them within the Līhu'e Town Core. It is not necessarily to try and get these eighty (80) units built. It is to allow all these existing buildings to add a couple of units on at a lower cost, of which there is a lot of interest currently. Scott, you do not have to put it up there, I think if you just pass it out to everyone that is fine.

Councilmember Cowden: The viewers on television cannot see.

Councilmember Evslin: Sorry, if you want to put it up there that would be good, thank you.

Committee Chair Chock: Go through the pictures.

Councilmember Evslin: I do not have any narrative for the pictures. There are four (4) pictures to provide examples of R-80, because we do not have those examples here. I think Ka'āina did mention R-50 or R-60 at the Līhu'e Town Courts.

KA'ĀINA S. HULL, Planning Director: Good morning, Council Chair and members of the Council. Ka'āina S. Hull on behalf of the Planning Department. Indeed, I think there was some discrepancy on whether there was an R-55 or R-60 and I think I had used those numbers some time ago to describe Līhu'e Town homes here on Rice Street. After double-checking the numbers, it actually is more on R-50.

Councilmember Evslin: While Ka'āina is here and while these pictures are showing—we have discussed a bit about we are not increasing the height limit, which I will not advocate to do. We are not changing any requirements over the form of these buildings. If someone were to go from forty (40) units to in theory eighty (80) units, the building in theory is going to look approximately the same, it is just that the units get smaller. Some concerns brought up by I think, Councilmember Cowden and JoAnn Yukimura was on the form of these buildings; what are they going to look like? Special Planning Area D does have some restrictions on forms. I was wondering, maybe Ka'āina, if you could talk us through. Also, talk us through the Class IV Zoning permit process. If someone were to get a permit for eight (80) units, how does that process work?

Mr. Hull: Yes, the Special Planning Area D, which is essentially the Rice Street Planning Area, so it is Rice Street and properties adjacent to close proximity Rice Street does not have what, I think some of you Councilmembers are familiar with is the South Kaua'i Plan has gone through with, West Kaua'i is in discussion on it for their plan update. There is a lot of discussion over the past few years about what is called Form-Based Code, in which really the form in character of the structure that build the environment rides over or takes priority over the specific land uses that are permissible in that district. Rice Street or Special Planning Area D does not have Form-Based Code. I want to be clear, it does not have a specific Form-Based Code set up in the transects that you folks maybe familiar with in other districts, but it does have specific parameters under which design criteria was set up that the Planning Department has to review on every single application for a building proposed in this area. The form and character of Rice Street on those recognized, say the historical buildings there are primarily street frontage buildings and so requiring street frontage, as well as the parking in the rear, then having to do with things like the design of the frontage and the way in which the awnings is structured, as well as in particular how fenestration is used—fenestration is a fancy word for how windows are set up—in that horizontals dominate on that frontage. There are specific parameters within the design criteria that the Planning Department has to review to ensure that the form and character of a proposed structure is in keeping with the Līhu'e Town Plan area. You also have the encompassing height restrictions, which is essentially fifty (50) feet. Additional footage is allowed to go beyond fifty (50) feet if you have a sloping roof. It is

just to accommodate a sloping roof, but that height limit still prevails and is not as we understand it being proposed to be adjusted in any of these Bills.

The form and character is still preserved and protected through the regulations that is in the Līhu'e Town Core Plan. Concerning the Class IV Zoning Permit in this discussion of design parameters and outright allowing a large quantity of structures or units to come online. The Code still requires whenever you propose more than fifty (50) units in this area, you still have to go to the Planning Commission. It is not an outright permissible—you propose fifty (50) units, the Planning Department stamps approved with a Class I miniscule zoning permit over-the-counter—it still requires discretionary review by the Planning Commission. It still requires that the surrounding properties are notified and provided opportunities to testify at the public hearing and it requires also routing to all the public infrastructure agencies. The Fire Department was just here and was just talking to your point, Vice Chair, are you folks going to approve these without having, say Fire's input on it. Fire is absolutely, going to have their input on it and we pay close attention to what the infrastructure agencies and service protection agencies provide in their review of the application. There still is a discretionary review for these large-scale projects that may be proposed in the Līhu'e or really anywhere on Kaua'i, in that matter.

Committee Chair Chock: Okay, Vice Chair Kagawa.

Councilmember Kagawa: Ka'āina I want to reiterate, so even though the zoning, such as this amendment here would allow, perhaps, a development to put in a request for a permit to build something that perhaps may trigger Fire to say, in order to keep Līhu'e safe, if these types of hypothetical projects come forward, we would have to increase our Fire from seventeen (17) men to twenty-eight (28) men crew. I do not know if that is times three (3) because they only work three (3) days or off two (2) day. So is it eleven (11) times three (3)? Thirty-three (33) more firefighters, which would be times it by two hundred thousand dollars (\$200,000), another five hundred thousand dollars (\$500,000) added to the budget per year. Would that trigger the Administration to have the power to say, "No, with the current resources this project will not be approved unless Council adds for the safety of the public thirty-three (33) more firefighters to the force." You are saying the government constraints and ability to preserve and protect would come before any zoning.

Mr. Hull: Whether it is public safety or overall infrastructure requirements, it is standard for when a proposal is submitted to the Planning Commission, especially when you are talking about large-scale proposals that if the reviewing agency or safety agency says there is a proportional nexus between the increase in usage in this area that we are going to have to require this additional asset improvement to our infrastructure. They can grab that out of it, but if there is no proportional nexus, you cannot go beyond that. I will be honest, Vice Chair Kagawa, I am not personally aware of any proportional nexus grabbed from an infrastructure

agency from a developer that grabbed in perpetuity funds to maintain staffing. I do not think that is permissible under the way exactions are done, but Fire is provided the opportunity to say we do not have the staffing to provide adequate service for this type of proposal. How that gets addressed whether it be...it will have to go through a bill process with you folks to increase funding whether or not it will be approved or not.

Councilmember Kagawa: It is a hypothetical on a hypothetical, but likely, yes the Administration does reserve the right to say no if public safety or health is involved in such a zoning request.

Mr. Hull: Correct.

Councilmember Kagawa: Thank you, Chair.

Committee Chair Chock: Councilmember Cowden.

Councilmember Cowden: I have two (2) key questions right now. I have to say Councilmember Evslin I like your example. I think this would fit nicely in this area. Also, on our zoning—we could do mixed use, right? There could be restaurants down below, maybe a floor of micro units, a floor of market value two (2) bedrooms, three (3) bedrooms, we could do a mix like that.

Mr. Hull: Absolutely, that is encouraged.

Councilmember Cowden: That to me seems like what we were talking about earlier, where a good example for being people who work right around here. That would be good for that. I support that element of it. Parking—I worry about parking a lot in this area. If someone wanted to do an R-40 with ARUs, so we are looking at an R-80 type of project. How many acres would they need for parking? Would they would have a parking garage? What would they do to make that work out, if you had eighty (80) different people? I think we could assume each person might have a car.

Mr. Hull: The requirement for the off-street parking standard is the developer has to invest in is one point five (1.5) stalls per unit. The developer has to provide that within their product.

Councilmember Cowden: That is a committed element to the design.

Mr. Hull: I will say, generally, it is two (2), but the Līhu'e Town Core Plan allows for those developments that are in close proximity to public transit to have a one point five (1.5) ratio.

Councilmember Cowden: I know that the senior housing does not have one (1) per unit.

Mr. Hull: Yes, they went for a specific Project Development Use (PDU) permit to vary outside of that. Excuse me, the requirement is actually lower for senior housing, but they also did get a Project Development Use permit to vary outside of particular standards. Yes, that was permitted at a lower parking ratio than is required by code.

Councilmember Cowden: If there is a two (2) or three (3) bedroom unit in that area, it still is required only one and a half parking stall.

Mr. Hull: Correct.

Councilmember Cowden: Okay, those are my questions for the moment.

Committee Chair Chock: Councilmember Evslin.

Councilmember Evslin: Say if this passes, anyone doing fifty (50) units or above would have to get a Class IV Permit going to the Planning Commission. Right now, if a developer wanted to do eighty (80) units in a building, could he come in for a use permit and is there a route for a developer to do that?

Mr. Hull: Yes. Right now, and the fact that it is how some of the elderly housing and Rice Camp was done through the Project Development Use permit that exist today and has existed for the past forty (40) or fifty (50) some odd years, if there is an affordable housing component to it, then there is no longer a density cap. If you are R-4, R-10, R-20, or whatever the property is, the Project Development Use permit allows the density cap to be removed and there is no density. As many units as you can construct within the building envelope that the particular district is at.

Councilmember Evslin: In essence, anyone can do eight (80) units if they wanted through the Planning Commission. If this passes in order to do more than fifty (50) they still have to go through the Planning Commission for a largely discretionary permit.

Mr. Hull: Right now, someone could go for a project development use permit for say an eighty (80) unit per acre proposal that is afforded right now through the Project Development Use permit. It is just if your package before you folks for incentives passes, but this does not, all that says then is the developer cannot chase ARU incentives, but they can still go well beyond the density of R-40 through the PDU process.

Committee Chair Chock: Council Chair Kaneshiro.

Council Chair Kaneshiro: I had a question, in the language we have, it will only allow for forty (40) units plus forty (40) ARUs. Is that what we want to do or

would we rather...if R-80 is the density we are going for, do we just say R-80 and no ARUs? When I look at the buildings provided in the pictures and you do eighty (80) units, you are going to be selling two (2) units to one (1) owner in a building like that, because they are going to have to buy their unit plus an ARU, which cannot be separated. I do not know where that happens or I mean...

Mr. Hull: Council Chair Kaneshiro, much planning theory focusing on town core says to remove all density caps then the design criteria you set up will ensure that the form and character is protected without having that initial barrier for developers to provide that housing and infill we want in our town cores. I think I might have to refer to the introducers when I read the proposal in the books, it is not so much to get the developments up to R-80, it is to say there is a package of incentives that ARUs can take advantage of that regular density folks cannot. Therefore, if we want to provide those same incentives in the Līhu'e Town Core area, which arguably is a focal point of planning, we should allow for the ARUs to be permissible as well in the Līhu'e Town Core Rice Street area. The equivalent can be considered R-80, in all honesty, I would not anticipate that happening. We are looking at it as providing separate opportunities for different developers to have different regime they may want to follow. You may have some developers come in and say I want a regimes in which I only want units that I can Condominium Property Regime (CPR) each individual ones at the forty (40) unit rate and pump them out. This package allows for that, but you might have another developer come in and say, "No, I want twenty (20) units that are ARUs and twenty (20) units that are regular density," and they will be somehow legally connected with each other into just twenty (20) CPR units, but you have forty (40) units. It just allows different strategies to occur depending on the context and particular path the developer or landowner chooses to take. I think there is a lot of fear about the construction and full build-out of density here, to be honest, that does not happen. On a regional-level when you change the density or building capability, full build-out on a regional-level will not happen. It may happen on an individual property owner, they may fully take advantage of, but a regional-level will not. One way you can look at it is, I had Leah pull some numbers off of GIS this morning and a lot of people look at ARU as a kin to ADU 2.0, right? It is the second version of ADU. When the ADU Law passes, that passed in 1982, it was just for residential properties. Later on, there was for agriculture property, as well, but when we look at what happened in the past forty (40) years since the ADU Law has passed, nine hundred (900) units have come online in the residential zoning district. That is amazing, it is wonderful and successful, it says there is nine hundred (900) units of housing that is there that would not have been there before. Kudos to the property owners that did it. There are roughly fourteen thousand (14,000) properties in the residential zoning district that qualify for ADUs. That means just a handful decided to take advantage of this new property entitlement. Great for them that is nine hundred (900) units, but that is roughly six percent (6%) of the property owners that have the right to build ADUs, decide to build it within the 40-year timespan. If we are talking about full build-out, it would take roughly six hundred (600) years for property

owners to build it at the level and rate that they have built it over the past forty (40) years. We still would not anticipate that because many property owners are not going to take action on the property just because you gave it to them. Going back to the ARU discussion, indeed, it is a blanket proposal across the region on Special Planning Area D, but we would not, could not, and should not anticipate a full build-out within the next forty (40) years, within the next fifty (50) years, quite honestly, within the next six hundred (600) years.

Council Chair Kaneshiro: I mean, I am just trying to picture it. If someone build a condo unit with forty (40) units, they sell each condo unit, the owner comes back and says I want to do an ARU in my unit. Is it going to be the honerest is on the developer to create a Covenants, Conditions & Restrictions (CC&R) or does it prohibit something like that where someone wants to create a new unit, they need to create more parking or is it on the County to just say this is the max units you can do on the property?

Mr. Hull: Yes, the County has already said it. The County has said right now, today, it is forty (40) per acre. If this is opened up, essentially it is a new vehicle that any project we are looking at more than four (4) or five (5). They are going to be creating more than likely a CPR, in which the CC&R is going to dictate, as they do today, where who gets the guest house rights. What can be built, whether ADUs can or cannot be built within those CC&R and those CC&Rs will also have to reflect for now, Līhu'e and Rice Street, whether an ARU can be constructed within the existing dwelling unit.

Council Chair Kaneshiro: Right now, with the language as-is, it is more prohibitive of doing R-80 because if you are going to do R-80, you need to create a unit plus an ARU that is connected to it then, right?

Mr. Hull: I would say, it is prohibitive, but quite honestly, once you are hitting the R-40 threshold—I do not want to say guarantee, but more than likely in most scenarios you are in the affordable housing category. You are chasing the affordable housing market. You are going after Federal tax credits, which means you would go through the PDU process. The PDU process exists, today and allows you to throw density out the window.

Council Chair Kaneshiro: Okay.

Committee Chair Chock: Councilmember Cowden.

Councilmember Cowden: I appreciate this last line of questioning because it brought something up that I have not contemplated. Even without that I have been nervous about the confusion that happens with this complexity. When I look at what I am the most familiar with in the community where I live, is the CPRing of AG

lots, which is much smaller and has all kinds of confusion and unintended consequences. Two (2) people build a guest house after they have built a house, so the fifth landowner cannot even build a house. All types of problems that end up in localized lawsuits. I am looking for...how can we address our goal, which is more market-level units that come on that are going to be basically dropping the value of all property. The more you have on the market, the more you will have a lower price. If there are two thousand (2,000) new units and whatever was on the market is old and is going to bring the price down, but really we also want these affordable units. Can you again explain to me how we can hit that goal without creating this confusion of R-40 with ARUs? To me, it is very confusing especially, when I think of a built building when someone wanting to separate out of a unit that is within it. Yesterday, we were talking how we could achieve this, right? How could we achieve what we are looking for?

Mr. Hull: Yes. How do I put this? As a planner I want to always say that planning is the end-all be-all, but we are not.

Councilmember Cowden: Right, we came up with a good suggestion.

Mr. Hull: Zoning is just the first issue that developers, land owners, or property owners have to get through, whether or not it is appropriated via the zoning. Indeed, in a lot of parts of our island we do want to keep the zoning to ensure the form and character of the town. Like I said, the design standards for Līhu'e itself have been established so that the form and character is preserved, but even if we remove that zoning barrier there still is a question of infrastructure. There is the need to ensure the infrastructure is strategically placed to accommodate that, but as well that if it is not able to accommodate it now, it can be upgraded so it can facilitate it.

(Councilmember Kagawa was noted as not present.)

What is going on right now, is you may have a group that is wanting and desiring to put say, an R-60 proposal that still meets the design, form, and character of Līhu'e, but they are not going to have that discussion with the County, because they are going to look at R-40 and say we are not going to go with that. Understanding that they can still go through the Project Development Use process, but when they propose it is also at a time you can grab the infrastructure to be upgraded to meet the development project.

Councilmember Cowden: Having walked through this with some developers, they say even at R-40 it is not compelling. I also am seeing in places like Los Angeles, micro units can go at market value. It does not necessarily...once you have the right requirements to make this desirable. Having a micro unit does not necessarily make it inexpensive. In fact, can be quite expensive. I think that is enough questions for now from me, because I know where I stand.

Committee Chair Chock: Council Chair Kaneshiro.

Council Chair Kaneshiro: I have one (1) more follow-up question. ADUs—you are able to build an ADU in a residential area, right?

Mr. Hull: Correct.

Council Chair Kaneshiro: If we are looking at R-40 density, are they able to create an ADU with the R-40 density?

Mr. Hull: I cannot think of a single lot that would qualify for an ADU. An ADU and and ARU function a bit differently in that an ARU is associated with any density you are entitled to. So if your property is entitled to say five (5) units, each one of those units is entitled to an ARU. An ADU is only permissible when your property qualifies for one (1) single dwelling. So if you only qualify for one (1) single dwelling, you can qualify for an ADU. If your property qualifies for two (2) dwelling units, you do not qualify for ADUs.

Council Chair Kaneshiro: Okay, got it.

Committee Chair Chock: Are there any further questions? No, okay.

Mr. Hull: Really?

Committee Chair Chock: Okay, thank you. I will take public testimony at this time. Hold on, one more.

Council Chair Kaneshiro: I had a question that I heard from the public, but it is not for Ka'āina, it is for Lyle.

Committee Chair Chock: Lyle.

Council Chair Kaneshiro: It is regarding the TIGER grant.

Committee Chair Chock: TIGER grant.

Council Chair Kaneshiro: This is just from what I heard from people in the public. They asked, in getting the TIGER grant and the new roadway we are building now, will that account for our traffic needs if we develop on Rice Street to R-80?

LYLE TABATA, Deputy County Engineer: Council Chair and Councilmembers, Lyle Tabata, Deputy County Engineer. At the time when we applied for this grant, which was in 2013, none of this was even dreamt of. I did want to stress

that the initiatives being brought forward as the Planning Director stated is to offer the community options. There is no promise that any of this will be built-out based on the track record of ADUs. To answer your question directly, it was not even an idea at the time when we applied for the grant. We have not completed any traffic studies. We cannot speculate where the build-out will happen and how much will occur. As it is built now, it is built to be able to handle the R-40, which is what we based it on.

Council Chair Kaneshiro: Was it R-20 or R-40?

Mr. Tabata: Back then whatever it was back then. I am sorry.

Council Chair Kaneshiro: I remember we had long discussions on will traffic be improved or worsen with three (3) lanes and a middle lane.

Mr. Tabata: Congestion will be improved because you will not be having two (2) lanes with a turning lane and have people weaving in and out of traffic, especially when parking is allowed on the street. You will have two (2) thru lanes with one (1) turning lane, much like what you see in Kapa'a, right now.

Council Chair Kaneshiro: I understood that at the time, but I guess the second part of my question is, will that traffic design be appropriate for R-40 or R-80.

Mr. Tabata: We will have to look into that. I cannot answer that right now, because it depends where it will be targeted. Every development that occurs, we have to identify exactly where that development is and how it will affect a certain circumference. That will have to be examined on its own merit based on...I cannot tell you overall, in general, if every block on the street is to be R-80, I would definitely say, it will be totally congested, but it is a target identity issue.

Council Chair Kaneshiro: Okay.

Committee Chair Chock: Are there any further questions?

(Councilmember Kagawa was noted as present.)

Councilmember Evslin: Yesterday I did have an opportunity to speak to the Department of Water about this. They made it clear that they expand water infrastructure based on build-out. They do not necessarily do it based on zoning and the reasoning as they explained was if they do this massive water infrastructure build-out based on zoning, then they are putting the cost for that on all these people in the area for build-out, so it makes more sense to do it incrementally as build-out occurs. Is that basically, in-line with how you folks operate at Public Works with water and for roads?

Mr. Tabata: When we build a travel infrastructure it is based on what a developer would come into, if we are starting from scratch. Then, based on the density of what they are developing for, say for instance, right now, in Kukui'ula they will tell us what the density is and we would calculate the infrastructure needs according to that. Similarly for Wastewater, based on what you are planning to build-out, then, it is dedicated. For what we are doing now, is basically a retro-fit. The potential for expansion is there, based on statistics on what actually has been built-out, we have capacity. Now, if someone were to come in and go to the Planning Commission as the Planning Director stated and they say, they are going to develop two (2) or three (3) blocks at a time on Rice Street, then we will have to react to what they submit and identify what the specific needs are at the time it is presented. It is really hard to do a "crystal ball," so I want to reiterate we are just offering our community options. That is how I am looking at what you are trying to do, right now. We want to present options and opportunities for—like my own kids, too, to come home. I appreciate all the work though, this is excellent, thank you.

Committee Chair Chock: Chair Kaneshiro.

Council Chair Kaneshiro: Mine is just a follow-up on the traffic. I do not know if we are going to push the vote today or defer, but for me I would love to hear more about what the parameters were, because I remember seeing what lights would be faster, what lights would be slower, what the wait times were, you know, what the parameters were with that information compared to what it may be at R-40 or R-80. Obviously, we cannot predict if we are going to get a grocery store on Rice Street and whether there will be more or less traffic, but for us to make a decision like this we should have a better understanding of what the capacity of Rice Street is with three (3) lanes and a turning lane? Right now, R-40 was a big step when we took it last year, then to go forward and say R-80, how is that going to affect everything here. I would hate for us to do that and come back and say, yes, our traffic is backed-up here too.

Mr. Tabata: Yes.

Council Chair Kaneshiro: I really would like to get more information on the impacts of traffic in the area.

Mr. Tabata: We did do the study based on traffic counts existing at that time and we can share that with you. Creating a revitalization of the Town Core was based on the premise that the ability to do what we ended up building right now, was based on the State re-routing traffic around Līhu'e Town, so the industrial traffic, except for deliveries to specific businesses on Rice Street, should be going around the Town, that is why they reconstructed Nāwiliwili Road and Ahukini Road. Those two (2) roads bypass the Līhu'e Town Core so that the heavier industrial traffic goes around the Town Core. That was the basis working with the State that we applied for the grant and we reconfigured Rice Street.

Committee Chair Chock: Councilmember Kualii'i.

Councilmember Kualii'i: I had questions for Ka'āina.

Committee Chair Chock: Sorry, no problem. Ka'āina is still here.

Mr. Tabata: Okay, Ka'āina.

Councilmember Kualii'i: Mine is basic, I want to see a map and I want to ask about the areas affected.

Mr. Hull: Excuse me, I am sorry.

Councilmember Kualii'i: The map of the SPA-D. I have one, but it is not all of the areas. It is only pockets of them.

Mr. Hull: It is a contiguous area around Rice Street. As well as...

Councilmember Kualii'i: It is not just along Rice Street.

Mr. Hull: There are other sectors, like back where the Rice Camp housing is, back by Hamura Saimin is also incorporated into Rice Street. I should say Special Planning Area D.

Councilmember Kualii'i: We do not know what is going to happen. Would it be possible to limit it to a more limited area, like one of the testifiers said, as sort of a trial? Maybe for a limited time?

Mr. Hull: That is completely this body's prerogative. I will say the Department will be supportive of anything that moves the needle forward and gives us more options for property owners to provide housing. If it is a limited area I will support that.

Councilmember Kualii'i: I am curious then from a planning perspective, right now, you said this entire area, but do you have ideas of which area is more optimal or conducive to the additional housing development?

Mr. Hull: I think all of that area would be, as far as optimal, from a planning perspective to provide more housing units. At the end of the day, it is going to be at the discretion of the property owner whether or not they are going to choose to invest that commitment.

Councilmember Kualii: You can kind of say it all is, but just logically, geographically, when you look at a large area, there might be some areas that are closer to more parking availability. There might be some areas that are closer to services.

Mr. Hull: We also provided the Council the map in previous presentations.

Councilmember Kualii: I am sorry, I probably was not here.

Mr. Hull: There are a list of seventeen (17) properties that we have found to have either vacant or have large parking areas that are larger than they need, that can be more conducive or readily available to put buildings on the ground to accommodate housing. Again, if that is the problem this body...

Councilmember Kualii: I am just expressing what I feel at this point. I am just not ready to support it all today. Maybe we will end up deferring it and maybe I will be able to get more of what I need. That is just where I am at, especially, after hearing some of the testimony and so on. The visuals help, like even today in Committee, it might not be a bad idea to be looking at the map.

Committee Chair Chock: Are there any further questions? What I am hearing from some Committee Members and Councilmembers is that there may be an interest for more information, it is just not clear on what that information is, so I would like to be able to discern that to make a determination, if we can move forward today. At this time, if you could think about that and we can come back towards discussion on that in a minute, I will ask for public testimony. Did anyone sign-up to testify? No. Is there anyone in the audience who would want to testify on this item? I will take JoAnn first. I will be strategic about the testimony too.

JOANN A. YUKIMURA: Thank you very much. JoAnn Yukimura. This discussion has been very good and more than anything else it shows the need for more discussion, because this is a very complex issue. As was brought out by your questions, the traffic issue is something that needs to be looked at, because as the Acting County Engineer says, the congestion was clearly going to be improved by the TIGER grant, but this was based on existing R-20 zoning, now, we are talking about R-80. We know from Kapa'a that the two (2) lane, middle turn lane—one (1) lane in each direction with a middle turn lane has its limits. I believe of course, that the solution is not in more road lanes, but in a shuttle transit system that must be planned and must be funded. You will see in the cities where you have more density that is what moves people around. That will solve, not just the traffic problem, but the parking issue. That example that Councilmember Evslin showed of the density, the R-80 density, was at less than one (1) parking stall per unit and we have one and a half parking as I understand that in Līhu'e. You are not going to be able to do a project like that in Līhu'e. Also, how much do those units costs? Are they really affordable units? I think there

are a lot of things that have to be thought through. I have to say, everything I know about planning—and I am not trained as a planner, but I have had many years of working on planning issues—if you want growth in an area—and we all agree that is our goal—you bring all the needed elements together. You put infrastructure in, you plan a shuttle system, you have form-based controls, you put it all together, you do not just give density. In respect to Councilmember Kuali's question, I believe the amendment I proposed on the R-40 Bill was to allow ARUs based on available infrastructure, so it is a floating zoning. Anything in the area up to the infrastructure available can get permits and it is first-come, first-served. It gives more flexibility than saying only these parcels in the area have density.

Councilmember Chock: Thank you JoAnn, you can come back for another three (3) minutes. Doctor Addison Bulosan.

DR. ADDISON BULOSAN: Hello, Dr. Addison Bulosan. I am speaking on behalf of the Rice Street Business Association. You have received a letter from us in support of this package of Bills, in particular this Bill. I love the discussion and actually, this Bill in particular was the one that I was the most excited for. Partly because it is something that is concerning everyone on Rice Street. I guess the biggest question and I guess, discussion that you folks probably want to hear is does the Rice Street businesses and local residents want this, because that is who is going to be affected the most. As you have all seen in your E-mails there is a resounding want and need for this and that is why I am so excited to be here representing the Rice Street Business Association and to hear you folks having this discussion. A lot of the discussion also is wanting to have more information on the planning side. That is why I am so excited that you folks are using as much of the resources available to make sure that you take the careful steps to understand so you make the right decision. At the end of the day, I know you folks want to serve your community to the best of your ability. If you feel like you need more information from the people on the ground, I would be happy to connect all of you, but like I wanted to reiterate—you folks have letters from the Tanaka Store that has been on Rice Street for over one hundred (100) years. You have letters from Hale 'Ōpio Kaua'i, Inc., from non-profits, and residents, and I want to reiterate and echo again, support for this Bill, particularly, will go a long way. If you have or need more discussion—I feel like you might have enough information to make the decision today, I am sure you will make your own decisions, but if you need more information I would be happy to be a resource to all of you and give you access or help you get access to certain information on Rice Street to the businesses, developers, and residents who are there, if you do not already have those connections, so I would be happy to help. In addition to that discussion, as a business on Rice Street with the Specific Chiropractic Centers, on traffic alone—I ride my bike all over town, you probably have seen me. I walk all over town, you probably have seen me. The traffic part—I feel, now this is my personal opinion, with my office and my patients coming to my office, is that the traffic is not bad because we are going down to those three (3) lanes, the traffic is bad because people are using it as a pass-through. Hearing what

they are going to do to divert the larger commercial trucks is exactly what is needed to make sure that Līhu'e and Rice Street is a live-able, walk-able, bike-able place to call home that people will most likely when you pass this through, will live, work, and play there and most likely not have to drive, because they can live in a place that they love. Thanks.

Councilmember Chock: Thank you. Is there anyone else who would like to testify who has not?

GREG CROWE: Good morning, again, Council. Few thoughts on the points that have been brought-up along the discussions here, which has been very great. Really appreciate your dedication trying to solve these problems, which is long, complicated, messed, untangled, but I think we can do it with the kind of good efforts that are being brought-up here by the Council and the community support. One point, going back to Councilmember Kagawa's great questions about what about the costs that we have from things like firefighters, but we also need to remember that by building these larger units we are going to have an increased property tax base. It is going to presumably cover that and those financial analyses can be done to decide if the existing tax break does not cover it, then they can make another tax that will cover the costs that are incurred by the County to provide for that infrastructure—the impact, basically can be covered in different ways. As far as the point about the slow build-out that we have had in the past, I think that it is another thing that needs to be changed by a comprehensive package of incentives to make sure people are going to want to build it rapidly and take advantage of it by having things like somewhat of a first-come, first-serve cap on it, in terms of time, number of permits, et cetera so there is an incentive to get things done quickly, rather than over time. Also, by sunseting and limiting it, it means we also curtail the problem of having these entitlements that are sitting out there unused for twenty (20) or thirty (30) years, they are hanging over all of our heads and shoulders about saying what are we going to do if anyone actually tries to use those entitlements, you can put sunsets on them. It is both an incentive posed to get things done quickly, but also is a risk mitigation of not having the unintended consequences go on forever because we did not see what was going to happen or there is no way you could know twenty (20) years from now what are going to be the effects of something we are doing now, the best way to what we have, but none of us know what the future is. One of the ways to limit that is put caps on these things both for time and number of units, et cetera. Again, the primary focus of all this should be also the cascading effects of the costs of not having enough affordable housing for our population—the residents that are here that are being forced to leave the island. The missing middle workforce skilled people that are leaving and we cannot get anyone else to come back to replace them, because they cannot afford to live here. What are the costs of that to our society, to our whole economy? We are on the verge of economic collapse if we cannot have the employees to keep our businesses running. I am sure you all know, I certainly do, I have seen in my area, there is lack of service staff, there are even businesses closing a day or two (2) a week or even going out of business, because

they cannot get employees. That is a cost to the whole economy, as well as our social structure. There are many other hidden costs that we cannot just say, because there is an up-front cost we can find ways to cover those and look at the additional things that come in for that. Thank you, again for your comprehensive vision on this, it is an accordion knot, but I think there is some slicing that is being done here and solving some of the problems. Thank you very much.

Councilmember Chock: Is there anyone else who would like to testify who has not had the chance to? Bruce.

BRUCE HART: I would like to see this deferred so that other members of the public become aware of it, the discussion goes on, and they have the chance for input. That is about it, thank you.

Councilmember Chock: Thank you. Is there anyone else who would like to testify for a second time? If not, I will call this meeting back to order. I would like to hear from our Committee Members first, on where you are on this Bill. Then, we can decide from Non-Committee Members, as well.

Councilmember Kagawa: For me, I am okay either way. There are a lot of hypotheticals that are being brought-up that we are trying to put into question whether the Bill will be successful or not. Bringing affordable housing and the way that we all see fit, for me, it is straight-up, I think the TIGER grant was not a good way of using a lot of Federal money. I think it will bring more problems to traffic than not, but it is done, it is going through, it is being done and time will tell whether...I do not think we can go back to how it used to be with all this cement that has been constructed. We will have to live with the decision that was made a while back. To now know this is something I disagree with, does it prevent my decisions from going forward, like trying to tackle things like affordable housing in the Līhu'e area? Knowing we do not have enough affordable units in Līhu'e—you have people paying for one (1) bedroom at one thousand five hundred dollars (\$1,500) because of the location. That is not reasonable for local people or teachers—they do not make a lot of money. Again, do we say it is not for the Rice Street area, but it will be appropriate for all other areas? I think Līhu'e is the heart where a lot of people work, where people will stay out of cars and congest other areas. I think going forward on the affordable housing issue to the Līhu'e businesses and residents that have supported this particular Bill, I am okay with trying, there are always opportunities to amend, but like I said we are dealing with hypotheticals. To kill an idea or a Bill based on hypotheticals, you hope at some point we need to take a chance. If you just go on hypotheticals you can kill any idea and never see it to fruition. This is an opportunity for us to try and address a real problem that is out there and I do not see us answering all the hypotheticals. I seriously do not. We have to rely on our Administration as these projects come through to do their job to make sure they try to mitigate the problems that are foreseen with harming our way of life as we try to accommodate affordable housing and more units. I am going to be supporting this and

I have no problems with also supporting the deferral, if the majority of the Members feel like we should wait a week or two (2) to deal with hypotheticals. Thank you, Chair.

Councilmember Chock: Thank you. I will just remind the Committee and the full Council that a three (3) committee vote here, if we do not have the support at the Council we will end-up at a deadlock and it will not pass. If we are at that point I would suggest that we do move towards a deferral, so I would like to ask for your insight. Anyone else? Councilmember Evslin.

Councilmember Evslin: I appreciate Councilmember Kagawa's words, I agree with basically everything he said. I am prepared to vote to move it forward today. I am also willing to defer, if that is what the body wants to do. I do agree with the sentiment that...I am not hearing concrete information and we need to make the decision. I think we have that information and at the end of the day it is policy call for us, right? We are not going to get perfect information on when this build-out is going to occur, what exactly the traffic impacts are, and I think a lot of it is because we do not know...I think general traffic analysis is done based on one (1) car per person driving to and from work. The idea is trying to break that paradigm in this area, so I do not think a traditional traffic analysis would be that relevant for this. Like Addison said, I live out in the Rice Street area, outside of Special Planning Area D, I walk to this office as often as I can. It does not even make sense to drive—it is quicker and nicer to walk. I see a lot of other people out there walking that live in this area, also. Just based on that, for me the other Bills were more focused on housing, for me this is a congestion Bill, right? What we hear about most-often other than housing is traffic. For the most part it is traffic in-and-out of Līhu'e from the East side and South side, obviously, that is on a State Highway, it is outside of our jurisdiction, the State says they do not have the tools or the money to fix it, that is why our General Plan puts so much focus on using land use as a way to relieve congestion because right now even people who want to live in Līhu'e because they work in Līhu'e—Līhu'e has sixty percent (60%) of the jobs and twenty-five percent (25%) of the housing. Even those who want to live here, cannot live here, because there is not enough housing. I am not saying everyone has to live here, but at least let us give people the option. I grew up in Wailua, I love Wailua, I would probably still live there if I had a house there. I totally respect people not wanting to move to Līhu'e, but maybe the person who is sitting in front of you in traffic, who is also causing that traffic would want to move to Līhu'e. That helps your own commute to get those people who want the option to...for me, it is about providing housing options and a way to ensure people do not have to spend their lives in traffic if they do not want to. Again, I am willing to vote for it today or defer if that is the will.

Councilmember Chock: Good. Is there anyone else? Councilmember Cowden. I am not on this Committee, but thank you for your input. I am asking for a deferral. If it came to me as-is at Council, I would vote, no. What I am asking for and would like, I appreciate what Addison had said, I apologize to the Rice Street Business Association, I had a commitment in Kekaha, so I could not make it, but I would really

like to hear from the business community—I know there is Chaney Brooks, Palmer was in here, he had something—I would like to see a layout and a design of what they think would be best, because if there were no rules the way our Planning Director said lift the cap—I would like to see what they think would work out the best rather than having to sit there and do gymnastics around a lot of very difficult scenarios, so you would not have to have the split-piece. Thank you Council Chair Arryl Kaneshiro, for bringing up that you would have to have a single owner on that ARU, because I had forgotten that. What influences my ask on this is, very much seeing how we have had communities of fighting, I would say more of the Agricultural CPRs are in the northeast quadrant. Neighbor-against-neighbor fighting challenges cannot sell, all kinds of crazy problems occur, a lot of nightmare for the Planning Department, because of people finding a way to work around the rules. I feel like in this there would be a network of possibilities to work around the rules and so I would like a deferral so we can look at better opportunities even if we brainstorm it quickly. I know there are talented people within the business association. Certainly, the Board of Realtors has some quality, capable people, maybe we can come up with something to take a look at. My guess is the Planning Department has the capacity to look at it and make a few statements or ideas, same with our Housing Agency. I want to look to see if we cannot do something better, rather than layering an entitlement that is not appropriate. Overall, I support the idea of seeing Rice Street turn into a multi-modal usage area. I know working here, I try to walk everywhere I can go. I support the idea, I feel that I will be doing gymnastics at the Council Meeting trying to make a difference—that is not what the Council Meeting is for. If it was as-is, I would probably be a minority, but I would vote no as-is.

Councilmember Chock: Thank you. Councilmember Kualii you may move us to a deferral.

Councilmember Kualii: Yes, I would prefer a deferral, but if the three (3) of you are ready to go, I will make sure I am ready by the next meeting. I just do not feel comfortable today supporting.

Councilmember Chock: Okay, Vice Chair Kagawa.

Councilmember Kagawa: I know Council Chair does not want us to do committee work, especially of this nature in the Council Meeting, if we approve it today and go back in committee and see we have a three (3) to three (3) tie, I would be happy to support it back to Council, if at committee we cannot have four (4). It is either going to be four (4) to two (2) or three (3) to three (3) apparently. That is my suggestion, I am ready to support now. Councilmember Evslin, yourself, Council Chair, it is three (3), I think the swing is our Chair. We are opening it all up, the poker hands are all out there.

Councilmember Kualii: The only other thing I would say is that, just to be honest, we are working on what we are working on and I may, if we do not have a deferral, have an amendment next time.

Council Chair Kaneshiro: I do not know what the rush is on this Bill. I see this as separate from the ARU package, because this is just creating more density on Rice Street. Just to put it in perspective, my hesitation, not saying I do not want affordable housing or anything—it was just last term we increased the density, we doubled the density from R-20 to R-40, which was a big step. I think everyone was a little uncomfortable at that time about increasing density, but I voted for it, I saw the opportunity for it. Here we are talking about quadrupling the density from the original R-20, which I mean, yes there is more hesitation to want to say, I want housing so let us increase the density to whatever. To exaggerate and not say I am going to be a proponent for it, if we wanted to resolve our affordable housing we would lift the cap on our height and built a big condo unit with one thousand (1,000) units and we could accomplish the same thing. Again, our focus is to not just fulfil our affordable housing, it is, what is the character of our island? We have to balance it. For me, that is the hesitation—trying to balance that. If we go R-80, then what is going to be the effect on people that need to drive to the area? What is going to be the look of this area? That is where my hesitation comes in. We are doing this TIGER grant road work, which I was in favor of, I am in favor of it, I am still in favor of it, but what is R-80 going to do to that TIGER grant and roads? I want to know a little more, I want to be a little more comfortable when we are quadrupling density within two (2) years, compared to doubling it. That is my hesitation on it.

Councilmember Chock: Would you like us to defer it?

Council Chair Kaneshiro: You folks can roll the dice on it. I am not on the Committee.

Councilmember Chock: If we vote on it, which I think we can get it out of Committee, then if we get to a deadlock next week, then it will go back from my understanding. I know half our Committee is okay with that. The question is, what kind of information do we need to move forward? I would love to have a six (6) to zero (0) vote, if that is possible. Tell me what needs to happen.

Council Chair Kaneshiro: Again, I want to get more comfortable on the ARU portion of it. Is the onerous going to be on us if someone builds it, does not put anything in their CC&Rs about creating an ARU and the person comes and says I have the right to do an ARU in my unit on Rice Street, what is the County going to do about it? Where is the onerous? Is it on us when they go through the Project Development Use permit to require that in their CC&Rs? This is what we want to see the building look like, I need a little more information on that.

Councilmember Kagawa: Now that he has played his hand. I think we have a three (3) to three (3) vote. My recommendation is to support the deferral, then let us have some amendments ready. Whatever questions or presentations you have that will be there to support your amendment that you do not want R-80, that you want

R-40. Just have them ready for the next Committee Meeting. It is not a rush, but I think if the business association and the business there are supporting it and are worried about housing. For me, that is why I said I was ready to go forward, but if there is a three (3) to three (3) tie then let us go to committee because it will be better for our staff. Our staff does not like us going to Council when we already see a three (3) to three (3) vote and we are going to do that for nothing. Thanks.

Council Chair Kaneshiro: My questions coming in was not the intention. My intention was to get R-80 that we should just make it R-80 and no ARUs. Or is the intention to do R-40 with the possibility of ARUs. I am trying to get a better understanding of what the intention is of this. I know what the intention of it was prior, it was R-20 and we wanted to double density, so we made it R-40. In this case, adding ARUs, what is the intention, to give them the option to do an ARU—we do not know what the total build-out is going to be. If it is to get to a R-80 density, then I would say let us change the Bill to be R-80 rather than R-40 with ARUs. Are the Members comfortable with that? I am trying to get a better handle on that.

Councilmember Chock: Okay, we are going to move to a deferral. I think that is the best for us. I have a statement I would like to make, but if you have more discussion I would love to hear it right now. Councilmember Cowden followed by Councilmember Evslin.

Councilmember Cowden: Very simply, if I recall when we moved from R-20 to R-40, Councilmember Brun brought this up as an affordable housing Bill. At that time I was saying, it is not an affordable rental proposal necessarily unless there are the numbers that would bring in the thirty percent (30%) inclusionary zoning. It really was when Councilmember Brun brought it up the first-time, the goal stated at the beginning was to increase the affordability of housing and to have affordable rentals.

Councilmember Chock: Councilmember Evslin.

Councilmember Evslin: Just a quick response to Council Chair Kaneshiro, maybe it will change his mind here on the fly, but the intent is R-40 with ARUs. The immediate pressing need or people who are sort-of ready to go is, for example, we have testimony from Kaua'i Beer Company, they want to add, as my understanding, is a couple of units to their upstairs. If they add, for example, four (4) units right now, they would pay full fees for all of that. Permitting fees are about fifty thousand dollars (\$50,000), it kills the project. If their ARUs are allowed, they could do two (2) normal dwellings and their two (2) ARUs permitting fees, if they follow this program, could be cut in half. My intention with this is to simply ensure that the same incentive that applies islandwide also would apply to Rice Street.

Councilmember Chock: Okay. Let me just say, what we are talking about here is, where to grow. This is directed by our General Plan, this is something we have talked about to exhaustion over the years. As it relates to Rice Street, it is

talking about creating Rice Street as a downtown. That is the image that I see moving forward into the future. Now, why is that important? It is important because we know that the costs of building outside and costs of sprawl has multiplied significantly, in every aspect, from traffic to wastewater to water—everything. That is why the planning perspective we are looking at is, how do we create density in specific areas? I think we are all in agreement on that. I think that is what we are trying to achieve. The question is really about how much at a time and how we can grow incrementally? I appreciate the discussion that we have had today. The fact is, that was articulated earlier today, is that we have not exhausted any of our entitlements in any way. The zoning has not been exhausted in any way. We have not seen that kind of build-out ever on Kauaʻi—that is one thing to think about. The other thing is, I kick myself for calling it an R-80, because that is the best way I could think about it, but it truly is not R-80, that we are talking about. I am glad that has come to light. What we are talking about is R-40 with ARUs. That is a significant difference. It changes the whole dynamic of what it is we are asking to build-out in size, the fact that it cannot be CPR'd and it is also very limiting for any developer moving forward in this area. What it will do is open the door for people such as, Kauaʻi Beer Company, who is trying to utilize this as an incentive in order to build capacity. The fact is we most likely—I highly doubt, and I am open to be proven wrong, that we will see anything close to R-80 in the near future. The great thing about the incentive is, the Council has the purview of it, if all of a sudden someone on Rice Street comes back and says we want to enact the R-40 with ARU and we want to do the incentive, if it fits our needs and what we want then we can decide how we want to incentivize that moving forward and we will have that parameter. Parking development, there are ways we can control that with any project that the Planning Department can enlist. The fact is zoning comes first, and it might be backwards in our minds, that is traditionally I would have done this in growth—I am not advocating for it, I am not saying it is right. I am saying zoning is what has driven growth. Without the zoning increase in density we will not have the discussion, is what I am hearing. That is why it is important for us to consider this deeply. Let us get to what it is, the options are moving forward. If we do defer this, I hear, we want to hear more about layout designs, from the business community, about geography, in-terms of the layout of Rice Street and where we want more, which lot for instance. Maybe a traffic study, the cost of R-80, that is one of the questions I heard, and how to separate the ARUs, if necessary, which I do not think you can CPR them out. By the way, the ARUs as we have identified, actually sunsets in five (5) years. If you folks are worried, guess what? You have five (5) years, four (4) years actually, if by my estimation as it was passed. There are limitations already in place as we are talking about these. Here are the options, I think in amendments. JoAnn brought one up, she said R-40 if infrastructure is there with the ARU, then we move forward. That is something she previously put in as an amendment. You can look at that, if that is an option. The other is—I have heard different variations R-20 with the ARU, R-30 with the ARU, that is R-60 perhaps, the third is as our Planning Director has already mentioned, there is a Project Development Use permit already on the books, that can supersede density. Any developer can come in and say, if we want, we are going to go through this process and we can create the density that we want on Rice Street—that is already in place. If we work with that as it relates to the ARU, those are other options. If there are ways that you folks, as a body, wants in order to get to six (6) votes, bring them forward. I would ask you folks to consider those options, as we move toward the Committee Meeting in a few weeks. If there is no more discussion I will entertain a motion to defer.

Councilmember Kualii moved to defer Bill No. 2745 to the December 11, 2019, Planning Committee Meeting, seconded by Councilmember Kagawa, and carried a vote of 4:0:1 (*Councilmember Brun was excused*).

Councilmember Chock: Motion passes. I will recess my Committee and go back to Vice Chair Kagawa's Committee.

There being no objections, the Committee recessed at 12:13 p.m. to convene the Public Works & Veterans Services Committee.

The meeting was called back to order at 12:21 p.m., and proceeded on its agenda items, as shown in the following Committee Reports, which are incorporated herein by reference:

CR-PL 2019-14: on Bill No. 2740

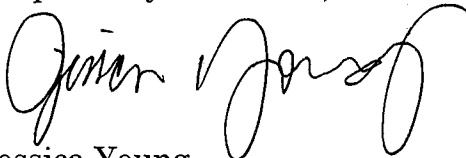
A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO ADDITIONAL RENTAL UNITS (**Approved as Amended.**)

CR-PL 2019-15: on Bill No. 2741

A BILL FOR AN ORDINANCE AMENDING CHAPTER 11A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO ENVIRONMENTAL IMPACT ASSESSMENT ON LAND DEVELOPMENT (**Approved as Amended.**)

There being no further business, the meeting was adjourned at 12:43 p.m.

Respectfully submitted,



Jessica Young
Council Services Assistant I

APPROVED at the Committee Meeting held on November 13, 2019:



MASON K. CHOCK
Chair, PL Committee